

MINUTES OF GAS & ELECTRIC COMMISSION MEETING
REGULAR SESSION
JULY 17, 2018

A meeting of the Holyoke Gas and Electric Department was held on July 17, 2018 at 5:10 P.M. in the Department's offices. In attendance were Commissioners Hoey, Griffin and Sutter; Manager Lavelle; Superintendents Beauregard, Ducheney, and Shannon; Kirk Jonah, Brooke McMahon, Kate Sullivan, Jim Jackowski, Terry Sweeney and Attorney John Ferriter.

CALL TO ORDER:

Commissioner Hoey called the meeting to order at 5:10 PM.

MINUTES:

On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was voted 2-0 to approve the minutes from June 28, 2018. Commissioner Hoey abstained.

REPORTS & RECOMMENDATIONS OF MANAGER:

Financial Report:

Ms. McMahon reviewed the May financial statements. Mr. Lavelle reported that staff has begun the process of assembling the 2019 operating budget and welcomed any input from the Commission regarding items that should be considered for the strategic plan. There was a brief discussion on the matter.

DIVISION REPORTS:

GAS DIVISION

Mr. Shannon reported that wholesale natural gas procurements continue consistent with the hedging plan for the current 12-month procurement window. He also presented the July natural gas rate comparisons and noted that the Department is very competitive in all classes. He reported that planned bare steel service and cast iron main replacements are ongoing according to plan. He also reported that there was a wash-out on HG&E property behind 5 Appleton Street on the bank of the river, due to a break in a corporate water main pipe, and that the owner of 5 Appleton Street was in the process of making necessary repairs per directives from the Conservation Agent. There was a brief discussion on the matter.

ELECTRIC DIVISION

Power Supply:

Mr. Beauregard reviewed the July electric rate comparisons and noted that the Department remains very competitive in all rate classes. He also reviewed the July mark to market report for power supply and stated that all transactions are within policy limits. There was a brief discussion on the matter.

TRANSMISSION & DISTRIBUTION

Mr. Beauregard reported that planned preventive maintenance and capital projects are on schedule. He gave an update on the Holyoke 17L Substation construction and peak load reduction efforts. He

reported that the Mt. Tom battery storage system commissioning is still in progress and near completion. There was a brief discussion on the matter.

ELECTRIC PRODUCTION

Mr. Duchenev reported that river flows have been seasonably low for the month and that hydroelectric generation is approximately 4% behind plan year to date. He also reported that Voith Hydro has begun warranty repairs on Hadley Falls Unit #1. He stated that the unit would be out of service until September 1st. There was a brief discussion on the matter.

TELECOMMUNICATIONS

Mr. Jonah gave a brief update on commercial sales and ongoing projects. He also reported that staff was in process of developing a plan to update the IT policy and procedure system and that a recommendation for consulting services would be forthcoming. There was a brief discussion on the matter.

OLD BUSINESS: None

NEW BUSINESS:

SPONSORSHIP REQUEST- GREATER HOLYOKE CHAMBER OF COMMERCE: Mr.

Lavelle reported that the Department received a sponsorship request in the amount of \$10,800 from the Greater Holyoke Chamber of Commerce and he recommended that it be approved. He stated the request is for continuation of the Department's Corporate Leadership Sponsorship and is at the same level as it has been for several years. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the request per the recommendation of management.

SOLAR RESIDENTIAL ENERGY ASSISTANCE REQUEST – 118 MADISON AVENUE: Mr.

Lavelle reported that the Department received a Solar Residential Energy Assistance Request, in the amount of \$10,000, from the owners of 118 Madison Avenue, for the installation of a 10.4 kW rooftop solar array. He stated that the assistance would be paid back over seven years. On a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the assistance as requested.

RATE RECOMMENDATION – LI2 ELECTRIC & G5 GSA SCHEDULES: Mr. Lavelle

reported that staff has reviewed the existing LI-2 and G-5 rate tariffs and has recommended minor adjustments to each rate, which have not been adjusted since 2009. He stated that the LI-2 rate adjustments include the inclusion of the State mandated renewable energy charge of \$0.00050/kWh. He further reported that the transmission and energy components of the tariff would be adjusted in offsetting amounts to align with current costs. He also reported that the G5 Gas Schedule would be increased to \$0.414/MMBtu, an increase of 3.5%. Mr. Lavelle stated that Sonoco Products is the only customer that currently qualifies for the subject rates. After a brief discussion and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to approve the rate modifications per the recommendation of management.

BID AUTHORIZATIONS: None

BIDS RECEIVED:

ELECTRIC UNDERGROUND CABLE: Mr. Lavelle recommended that the Commission award the contract for Electric Underground Cable to Arthur J. Hurley Company, the lowest responsible and eligible bidder meeting all requirements of the solicitation. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to award the contract per the recommendation of management.

TREE TRIMMING & VEGETATION MANAGEMENT ANNUAL CONTRACT –

EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Tree Trimming and Vegetation Management contracts with All Reliable Service (ARS), Inc. (primary contract) and Asplundh Tree Expert Co. He stated that the ARS extension would be subject to a 3% increase in both labor and material rates and that the Asplundh contract extension would be under the existing terms and conditions. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extensions per the recommendation of management.

GAS LEAK SURVEY SERVICES ANNUAL CONTRACT – EXTENSION: Mr. Lavelle recommended that the Commission authorize a one year extension to the Gas Leak Survey Services annual contract with Omark Consultants, Inc., under the same terms and conditions as the existing contract. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the contract extension per the recommendation of management.

PURCHASE APPROVAL – LICENSE AND SUPPORT SERVICES – IBM SMARTCLOUD:

Mr. Lavelle requested that the Commission authorize the expenditure of \$15,774 for required annual license and support services for the IBM SmartCloud platform, which manages the Departments email. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

PURCHASE APPROVAL – TRAVEL EXPENSES –FACTORY ACCEPTANCE TESTS: Mr. Lavelle requested that the Commission authorize the expenditure of up to \$7,000 for travel and lodging expenses for up to 3 engineers to attend factory acceptance testing of new switchgear from PowerCon (Baltimore, MD) and transformers from Virginia-Georgia Transformers (Savannah, GA). He stated that the equipment is being manufactured for the 17L Substation and includes critical components that require witnessing of acceptance testing at the factory. After a brief discussion, and on a motion from Commissioner Griffin, seconded by Commissioner Sutter, it was unanimously voted to authorize the expenditure per the recommendation of management.

COMMUNICATIONS:

07/13/18 – Draft Commission Meeting Minutes from 06/28/18

06/27/18 – JL/DD/Financial Statements, Balance Sheet May 2018

07/09/18 – JL/KC/Sponsorship Request – Greater Holyoke Chamber of Commerce Annual Sponsorship

07/13/18 – JL/JJ/Solar Residential Energy Request – 118 Madison Avenue

07/16/18 – JL/BB/Rate Recommendation – LI2 Electric & G5 Gas Schedules

07/12/18 – JL/YD/Bid Recommendation – Electric Underground Cable

07/11/18 – JL/YD/Recommendation – Extension of Tree Trimming & Vegetation Management Annual Contract

07/12/18 – JL/YD/Recommendation – Extension of Gas Leak Surveys Annual Contract
07/06/18 – KJ/AJ/Purchasing Approval: Renewal of IBM SmartCloud Email, Archiving & Support
07/09/18 – BB/DV/Purchasing Approval: Travel Request – Acceptance of New Holyoke 17L
Substation Equipment

NEXT MEETING DATE:

It was agreed that the next Commission meeting would take place on Tuesday, August 14, 2018 at 5:00 P.M.

ADJOURNMENT:

On a motion from Commissioner Sutter, seconded by Commissioner Griffin, it was unanimously voted to adjourn the Meeting at 6:09 PM.



HG&E Commission